

Chairman Mike Nofs
Chair, Senate Energy and Technology
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Chairman Nofs and Honorable Committee Members:

My name is Paul Condino and I am the Vice president of Government Relations for the AFPD (Associated Food and Petroleum Dealers). The AFPD is a 102 year old association of over 4000 independent retailers in Michigan and Ohio (over 3000 in Michigan). I thank this Committee for the opportunity to testify today in support the 2008 Energy law.

Barely over three years ago, I was one of the Michigan lawmakers that voted in favor of and helped set in place a comprehensive energy policy designed to safeguard the state's energy future. In fact, Mr. Chairman, with your leadership this landmark reform, considered one of the best energy policies in the nation, was crafted with much vision and integrity. Simply put, it is the position of the AFPD that the 2008 Energy Law is performing exactly the way it was designed.

The goals of the 2008 Energy Laws, Public Acts 286 and 295, were as follows:

- To provide regulatory certainty so utilities could make significant job-creating investments in the state's energy infrastructure
- Help customers save energy and money by achieving energy efficiency standards.
- Improve the state's business climate by requiring prices to be based on the cost of service by 2013, while phasing out subsidies that increased the rates to business.
- Provide for competition in the state's energy market.

The above goals are already being met. Our AFPD members have reported the shift in lower costs of service rates and expect full benefits to be realized by 2013. DTE Energy and Consumer Energy, Michigan's two biggest utilities, have made substantial investments since the Energy Law was enacted (nearly \$4 billion in investment). Finally, schools and energy customers are already recognizing significant savings because of the investments being made in energy efficiency programs. In short, the 2008 Energy law package is absolutely working and arguably exceeding the stated goals.

It is of great concern to the AFPD and its members, that some entities are promoting changes to the 2008 Energy Laws at this early stage and development of the

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legislation. Michigan has been in a deep financial crisis. Our independent retailers have been in the trenches battling this crisis daily. It is the opinion of the AFPD retailers, that making any current changes prior to the Energy Laws full implementation would be a poor decision and breach the energy vision and promises made to Michigan customers and businesses.

While some have encouraged a change in the ROA (Retail Open Access Cap), please know that the AFPD membership of independent retailers absolutely opposes such amendments. Public Acts 286 and 295 retained competition in Michigan's energy market, while allowing public utilities to make the large investments that have been desperately needed.

The independent retailers of the AFPD have struggled through the economic crisis in Michigan. Day in and day out, they remain committed to providing consumers with access to fresh food and products to our urban and rural populations. The landmark public policy of the 2008 Energy Reform Law, continues to provide great benefits to small business customers in this State, despite the fact it is not completely implemented. We urge the Committee to allow full implementation of Public Acts 286 and 295, and not to make any changes at this time. As the saying goes, "if it's not broke, don't fix it".

Respectfully,



Paul F. Condino

VP Government Relations, AFPD